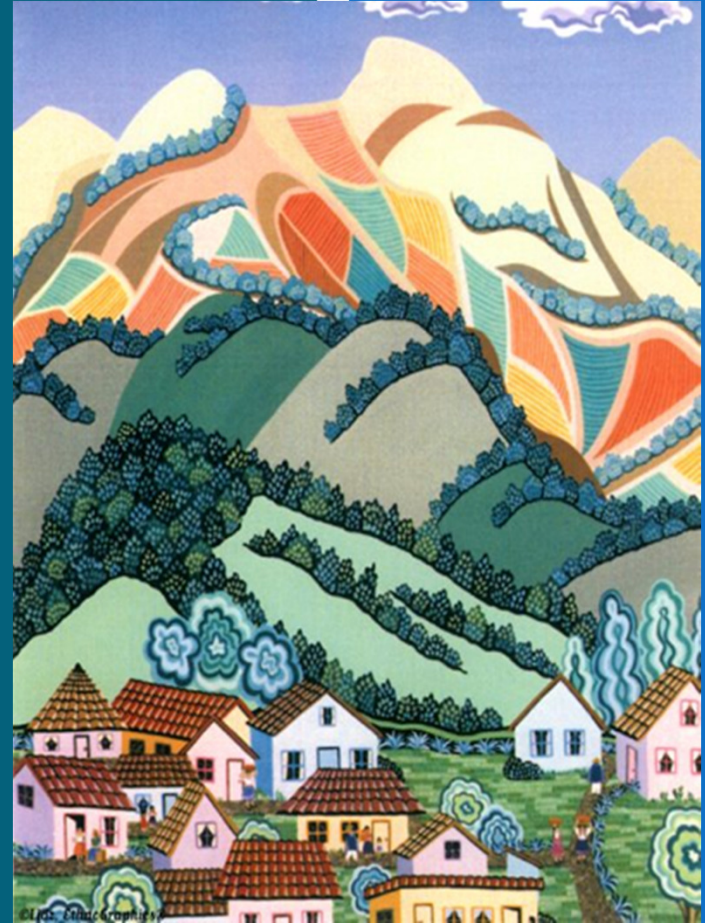


# City of Flagstaff

## 2014/2015 Community Development Block Grant (CDBG) Process

Sarah Darr, Deputy Housing Director  
Leah Bloom, Housing and Grants Administrator



# WHY ARE WE HERE TONIGHT?

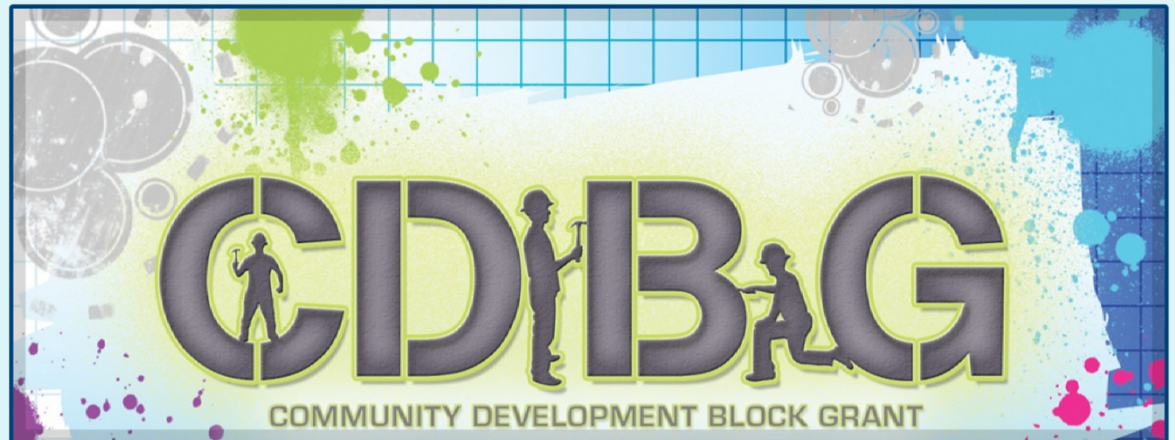
- CDBG Overview
- Review options of how funds can be used
- Receive guidance on CDBG process
- Discuss and establish Council CDBG priorities

# LEAH BLOOM

## HOUSING AND GRANTS ADMINISTRATOR

# *WHAT IS CDBG?*

- Federal grant program administered by the Department of Housing and Urban Development (HUD).
- Created in 1974 to provide funding for housing and community development activities.



# *WHY DOES THE CITY OF FLAGSTAFF RECEIVE CDBG MONEY?*

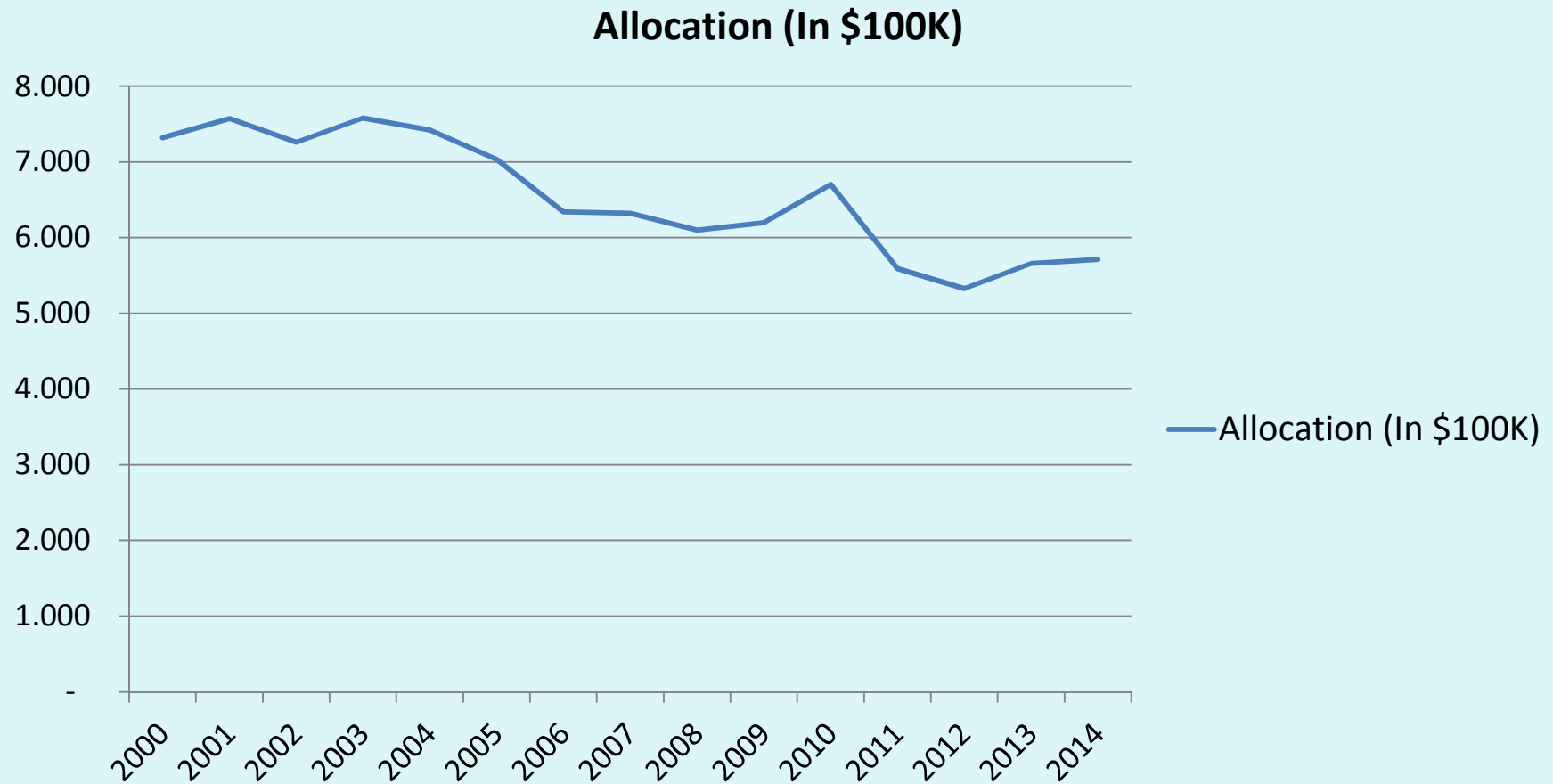
**As a metropolitan city with a population of more than 50,000**, Flagstaff is considered an Entitlement Community and receives an annual allocation based on a formula taking population, age of housing and other community information into consideration.



# *WHAT HAS CHANGED IN RECENT YEARS?*

- **Continually decreasing funding from HUD**
  - 2003 highest award = \$758,000
  - 2014 = \$570,941
- **Emphasis on Performance Measures**
  - Focus is on pure numbers rather than type of benefit provided
  - Performance measurements require significant additional data to be collected

# ALLOCATIONS OVER THE YEARS



# *HOW DOES THE CITY ACCESS THE FUNDS?*



- **Annual Action Plan** – “What are we are going to do?”  
Historically due May 15
- **Consolidated Annual Performance Evaluation Report (CAPER)** - “What did we do?”  
Due September 2015
- **Consolidated Plan** - “5 year assessment of housing and community development needs”  
Every 5 years - Due 2016
- **Analysis of Impediments to Fair Housing choice**  
“Fair Housing Plan”  
Every 5 years - Due 2016



# HOW CAN THE CITY SPEND THE MONEY?

*The easy answer:*

- As the City Council determines based on:



- Needs identified in the Consolidated Plan
- One or more of the Primary Objectives
- The National Objective

# *CDBG PRIMARY AND NATIONAL OBJECTIVE*

The development of viable urban communities through the provision of the following, **principally for low and moderate income persons:**

- Decent housing
- A suitable living environment
- Economic opportunity



# *BENEFITING LOW AND MODERATE INCOME PERSONS*

To be eligible, an activity must qualify as one of the following:

- 1. Limited Clientele**
- 2. Housing Activity**
- 3. Area Benefit**
- 4. Job Creation or Retention Activities**

# *1. LIMITED CLIENTELE*

An activity benefitting persons who are presumed to be **low income or at least 51% of whom are low and moderate income persons.**

Presumed benefit populations include:

Abused/neglected children

Severely disabled adults

Migrant farm workers

Persons with HIV/AIDS

Battered spouses

Illiterate adults

Homeless

Seniors

Example:

- Operational assistance for Homeless Shelter

## 2. HOUSING ACTIVITY

An activity undertaken for the purpose of providing or improving permanent residential structures which, upon completion, will be occupied by low and moderate income persons

Examples:

- Down payment and closing cost assistance
- New housing by a Community Based Development Organization (CBDO)
- Owner Occupied Housing Rehabilitation



### 3. AREA BENEFIT

An activity that benefits all residents in a particular area, where at least 51 percent of the residents are low and moderate income persons.

The City has four target neighborhoods – as established in the Consolidated Plan:

- Sunnyside
- Southside
- La Plaza Vieja
- Pine Knoll

Examples:

- Neighborhood Centers
- Street Improvements
- Parks



## 4. *JOB CREATION/RETENTION ACTIVITIES*

An activity designed to create or retain permanent jobs. A minimum 51% of which, computed on a full time basis, involve the employment of low and moderate income persons.

Examples:

- Development of a business incubator
- Business expansion loans



# *HUD ANNUAL FUNDING CAPS*

## 20% cap for Administration

2014 total admin - \$114,188 - including City indirect rate (7.86% in 2014 or an estimated \$41,000)

- What is an Indirect Rate?
  - Allows the City to collect for costs incurred to administer federal or state contracts
  - Council policy has been to assess on any grant that allows this charge
  - Calculated annually based on OMB A-87 regulations



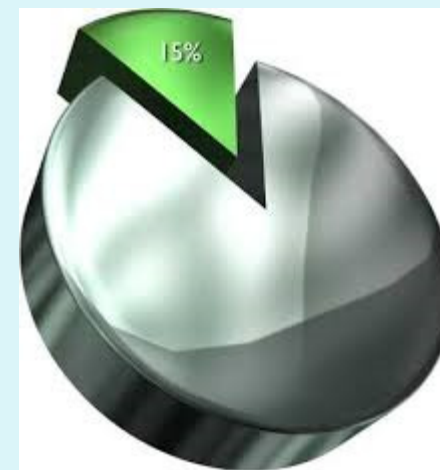
# *PUBLIC SERVICE – 15% CAP*

There is a high demand for Public Service Projects with limited funding available.

**2014 total Public Service awards = \$88,911**

Examples:

- Services for People Experiencing Homelessness
- Employment Services
- Child Care Services
- Health Services
- Services for Senior Citizens



# *CRITERIA FOR USE OF CDBG FUNDS*

- **At least 70% of the CDBG funds must benefit low/moderate income persons over the fiscal year (July 1 to June 30)**
  - Historically CDBG in Flagstaff serves 100% low/moderate income persons
- **1.5 Timeliness Test** – Requires timely expenditure of funds

**SARAH DARR**  
**DEPUTY HOUSING DIRECTOR**

# HOW ARE THE FUNDS DISTRIBUTED?

**An annual open proposal process is conducted allowing community agencies (non-profit and units of local government) to apply for use of funds**

# PROPOSAL PROCESS

- Council establishes funding priorities every 2 years
  - Neighborhood Revitalization
  - Housing
  - Homelessness
- Staff Responsibility
  - Determine activity eligibility
  - Assess activity viability
  - Conduct agency risk assessment
- Proposal Ranking Committee with citizen participation
- Weighted scoring criteria

# PROPOSAL PROCESS

## Public Participation

- Ranking Committee
- 2 public meetings
  - February 3 at 10AM (Proposal Process starts)
  - March 9 at 10AM (Review of Proposals received)
- 3 council meetings
  - Work session tonight
  - Work session with recommendations
  - Action item to adopt Resolution

***\*City of Flagstaff is ultimately responsible for use of funds, even if spent by outside agency\****

# *CITY CONTRACT REQUIREMENTS*



- Procurement
- Insurance
- Payment Procedures
- Monthly Reporting
- Monitoring
- Close-out
- Audit

# *FEDERAL OVERLAY STATUTES:*

- Labor Standards (Davis Bacon)
- Testing (Asbestos and Lead)
- Environmental Standards
- Fair Housing
- Procurement
- Equal Opportunity
- Relocation
- Handicapped Accessibility



# ***2013-2015 CDBG AWARDS***

- **Catholic Charities**
  - Shelter Rehabilitation - \$75,982\*
  - Projects for the Assistance in Transition from Homelessness (PATH) Program - \$65,324\*
- **DNA People's Legal Services**
  - Legal Assistance - \$27,095
- **Flagstaff Shelter Services**
  - Women's Shelter Operation – \$38,911
- **Housing Solutions of NA, Inc.**
  - Down Payment Program - \$288,404\*
  - Job Creation - \$70,336

## **2013-2015 CDBG AWARDS (CONTINUED)**

- **Northland Hospice**
  - **Olivia White Operational Assistance - \$43,561\***
- **The Guidance Center**
  - **Inverrary House Rehabilitation – \$32,651**
- **City of Flagstaff**
  - **Owner Occupied Housing Rehab. - \$223,446\***
  - **Arroyo Park Roadway Improvement - \$192,712\***

**Total funds in the community in the last 2 years:**  
**\$1,058,422**

# 2013/2014 CDBG BENEFIT

## ■ Households and Individuals Served

- 1,229 individuals
- 72 households

## ■ Community Leverage

- Flagstaff leveraged CDBG expenditures with \$5,691,780 in other private and public funds



# *WHAT HAS CHANGED IN RECENT YEARS?*

## NEW this year!!

- Deadline for the Annual Action Plan is a moving target
  - Historically, AAP was due on May 15<sup>th</sup>
  - New HUD rule this year: AAP is due 60 days after funding allocations are announced.
  - Last year, funding allocations were announced in July

# REQUESTED DIRECTION

When would you like to make funding decisions?

Options:



1. Make funding decisions on historical schedule without knowing allocation amount (*any amount of funding received over or under estimated allocation could be distributed equally*)
2. Make funding decision in the 60 days after allocation is received (no estimates)

# *REQUESTED DIRECTION*

## **Establish 2-4 Council CDBG Priorities**

- Last Two Years
  - Neighborhood Revitalization
  - Housing
  - Homelessness
  - Mentally ill and/or Serial Inebriate Population
  
- Previous Two Years
  - Housing
  - Neighborhood Revitalization
  - Homelessness



# ***NEXT STEPS***



## **CDBG/Annual Action Plan Public Meeting**

February 3, 2015

10:00am - 11:00am

Council Chambers

For Questions/Comments Contact:

Leah Bloom, Housing and Grants Administrator

[LBloom@flagstaffaz.gov](mailto:LBloom@flagstaffaz.gov)

928-213-2752

Input is always welcome and needed!

Thank you!